

Section VII—Attachments

4. Proposal Exhibits

A.1 Risk Assessment Plan

Risk Assessment Plan (RA) Guide and Template:

Introduction

The purpose of the Risk Assessment (RA) plan is to identify if a construction manager can quickly calculate the risks on a future project in terms of cost, time, and client expectation (of quality and performance). The RA plan is used to:

1. Assist the client in prioritizing firms based on their ability to understand the risk of a project.
2. Provide high performing vendors the opportunity to differentiate themselves from their competitors due to their experience and expertise.
3. Minimize the effort of experienced companies who are competing for the project.
4. Provide a mechanism for the high performers to regulate the low performers by ensuring that if they are not selected, the selected company will have to minimize all risks that they have identified.

Vendors should keep in the mind that the RA plan is only one step in the selection process. If all the RA plans are the same, the RA plan will have little impact in the selection (other factors, such as past performance and interview will dictate the selection). The RA plan will become part of the contract.

RA Plan Format

The format for the RA plan is attached. The RA Plan should clearly address the following items:

1. List and prioritize major risk items that are unique to this project. This includes areas that may cause the project to not be completed on time, not finished within budget, generate any change orders, or may be a source of dissatisfaction for the State.
2. Explain how the builder will avoid / minimize the risk. If the vendor has a unique method to minimize the risk, they should explain it in non-technical terms.
3. Propose any options that could increase the value (expectation or quality) of their work.

In order to minimize any bias by the evaluation committee, the RA Plans must not contain ANY names (such as contractor or manufacturer names, personnel names, project names, product names, or company letterhead). The RA Plans should not contain any marketing information.

The State's goal is to make the selection process as efficient as possible. Efficiency is to minimize the effort of all participants, especially those who will not

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get the project. Therefore, the RA plan should be a brief and concise overview of the major risks on the future project. The RA plan must not exceed 2 pages.

Impact of Risks

All of the risks should be prioritized, or listed in order by the greatest risks at the top to the lowest risk in descending order. Each risk should have a cost and/or time concern. If the risk has cost implications, the actual estimated cost should be listed. If it has time concerns, the number of days should be listed.

Value Added Items

Vendors should also list any value or differential they are bringing to the project. However, since the company cannot use names, the differences must be identified in terms of cost, time, or quality.

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RA Plan Checklist

- RA Plan is less than 2 pages (8.5" x 11", front side of page only, 1" margins, Arial 10 or 11 size font).
- RA Plan does not contain any names that can identify who the vendor is (company name, individual names, past project names, printed on company letterhead, etc)
- RA Plan identifies major risks that are unique to this project
- RA Plan clearly identifies unique solutions to the risks
- RA Plan identifies any value added item that differentiate the vendor from their competitors

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Risk Assessment Plan

Please prioritize the risks (list the greatest risks first). Indicate the potential impact to cost (in terms of \$), and/or schedule (in terms of calendar Days). You may add/delete the risk tables below as necessary.

Major Risk Items

Risk 1:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 2:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 3:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 4:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 5:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 6:

Impact: Cost (\$) **Schedule** (Days)

Solution:

Risk 7:

Impact: Cost (\$) **Schedule** (Days)

Solution:

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Risk 8: _____

Impact: Cost (\$) _____ **Schedule**
(Days) _____

Solution: _____

Risk 9: _____

Impact: Cost (\$) _____ **Schedule**
(Days) _____

Solution: _____

Risk 10: _____

Impact: Cost (\$) _____ **Schedule**
(Days) _____

Solution: _____

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Value Added Options

Contractors should identify any value added options or differentials that they are proposing, and include a short description of how it adds value to the project. Identify if the items will increase or decrease schedule, cost, or expectation. You may add/delete the value tables below as necessary.

Item 1:

Impact: Cost (\$)	Schedule (Days)
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Item 2:

Impact: Cost (\$)	Schedule (Days)
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Item 3:

Impact: Cost (\$)	Schedule (Days)
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Item 4:

Impact: Cost (\$)	Schedule (Days)
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Item 5:

Impact: Cost (\$)	Schedule (Days)
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